



# FEED THE FUTURE

The U.S. Government's Global Hunger & Food Security Initiative

## **Livelihoods for Resilience Activity**

# **Resilience Strategy**

### **December 2018**



## Table of Contents

### List of Acronyms

1. Introduction .....	1
2. Key concepts .....	1
3. The Livelihoods for Resilience resilience domains of change .....	4
4. Key project approaches .....	5
5. Project activities and their contribution to resilience.....	6
6. Links to other cross-cutting issues.....	22
7. Evaluating resilience .....	23
8. References .....	25

## List of Acronyms

ASE	Agri-Service Ethiopia
CCA	Climate change adaptation
CVCA	Climate Vulnerability and Capacity Analysis
FEMA	Farmer Economic Marketing Association
GRAD	Graduation with Resilience to Achieve Sustainable Development
IP	Implementing Partner
MFI	Micro-finance Institution
MSC	Most Significant Change
MSP	Multi-stakeholder Platform
ORDA	Organization for Rehabilitation and Development in Amhara
PSNP	Productive Safety Net Program
PSP	Participatory Scenario Planning
REST	Relief Society of Tigray
RUSACCO	Rural Savings and Credit Cooperative
SAA	Social Action and Analysis
SNV	Netherlands Development Organization
USAID	United States Agency for International Development
VESA	Village Economic and Social Association
VSLA	Village Savings and Loans Association

## 1. Introduction

CARE Ethiopia along with partners Agri Service Ethiopia (ASE), the Organization for Rehabilitation and Development in Amhara (ORDA), the Relief Society of Tigray (REST), and SNV-USA is implementing the Livelihoods for Resilience Activity (hereafter, Livelihoods for Resilience). Livelihoods for Resilience works in 27 woredas in Tigray, Amhara, and Southern Nations, Nationalities and Peoples' Regions, with a goal of contributing significantly to reduced food insecurity and increased resilience for chronically food insecure households in highland areas. The purpose is to enable 97,900 chronically food-insecure households enrolled in the Productive Safety Net Programme (PSNP) to graduate from the PSNP with long-term resilience. The purpose of the project can be broken down into four key elements:

- Members of PSNP households have increased capacities for undertaking resilient livelihoods
- PSNP households have economically viable and resilient livelihood portfolios
- An enabling environment supports resilient livelihoods for PSNP households
- Collaboration, learning and adaptive management processes enhance, scale up, or facilitate replication of impact

Livelihoods for Resilience builds on the evidence and successes of the Graduation with Resilience to Achieve Sustainable Development (GRAD) Project. The project refines and scales up the successful elements of GRAD while also introducing new approaches. Key among these is the increased focus on resilience, which is at the center of the Livelihoods for Resilience theory of change. This focus is based on the understanding that food-insecure households are operating in a context of increasing risk and uncertainty, and that the gains achieved through project activities will only be sustained if people are able to anticipate, absorb, and adapt to shocks and stresses. It also recognizes the role of systems, including economic, government and social systems, in enabling people to be resilient and creating opportunities for transformation.

This document describes the Livelihoods for Resilience strategy for building resilience of its targeted households. It provides an overview of key concepts as they are understood by the project, and describes the domains of change that comprise the resilience approach. It also describes the key project approaches and activities, and analyzes their potential to contribute to resilience. The strategy recognizes that resilience is a cross-cutting issue and identifies key issues for consideration, especially related to climate change, across the different approaches and key activities in order to maximize the contribution to resilience. Finally, it identifies questions related to the resilience approach that may be incorporated in the project's learning agenda. The aim of the strategy is to provide the Livelihoods for Resilience technical team and partners with guidance to integrate resilience thinking into all relevant aspects of project implementation.

## 2. Key concepts

The following is an overview of the key concepts that are relevant for the resilience strategy.

### ***Resilience***

USAID definition of resilience:

*The ability of people, households, communities, countries and systems to mitigate, adapt to and recover from shocks and stresses in a manner that reduces chronic vulnerability and facilitates inclusive growth<sup>i</sup>*

According to USAID, resilience is increased by developing *absorptive*, *adaptive* and *transformative* capacities. Other resilience frameworks<sup>ii</sup> also include *anticipatory* capacity, which we believe is important for resilience in the Livelihoods for Resilience communities, as it enables planning and forward-looking decision-making.

Resilience is:

- Dynamic and context-specific
- Oriented towards multiple, inter-connected shocks and stresses
- Multi-level – individual, household, community, system
- Determined by social and political systems, structures and processes

### ***Shocks and stresses***

Livelihoods for Resilience aims to build resilience to the range of shocks and stresses that disrupt household activities.

According to USAID:<sup>iii</sup>

- Shocks are *external short-term deviations from long term trends that have substantial negative effects on people's current state of well-being, level of assets, livelihoods, safety or their ability to withstand future shocks.*
- Stresses are *long-term trends or pressures that undermine the stability of a system and increase vulnerability within it.*

The main types of shocks and stresses that affect the Livelihoods for Resilience households are:

- *Climate-related*, including extreme events such as droughts, floods and storms, as well as changing conditions such as erratic rainfall, untimely frost and rising temperatures. There are also shocks that are indirectly related to climate and weather, including pests and crop diseases, livestock disease, and landslides caused by heavy rainfall.
- *Economic*, such as loss of jobs, market fluctuations and unexpected expenses (for example due to ill health of a family member).
- *Social*, mainly gender-based violence, divorce and demographic changes such as population growth and urbanization.
- *Political*, mainly related to conflict and instability.
- *Environmental*, including land degradation and declining ecosystem health.

### ***Resilience capacities<sup>iv</sup>***

**Anticipatory capacity** is the ability to reduce the impact of shocks through preparedness and planning. It involves using available information and resources to minimize exposure or reduce vulnerability to foreseen shocks. It is proactive, used before the event occurs.

*Example:* Establishing flood-safe storage for assets

**Absorptive capacity** is the ability to cope with shocks. It involves using available skills and resources to manage the negative impacts of a shock. It is reactive, used during and/or after a shock has occurred.

*Example:* Using savings to purchase food when a crop is destroyed by drought

**Adaptive capacity** is the ability to make deliberate and planned adjustments in anticipation of or in response to change. It involves informed decision-making, forward-looking planning and flexibility. Adaptive capacity is generally applied outside of crisis periods, based on learning from past shocks and stresses. It is oriented towards managing uncertainty and reducing future risks.

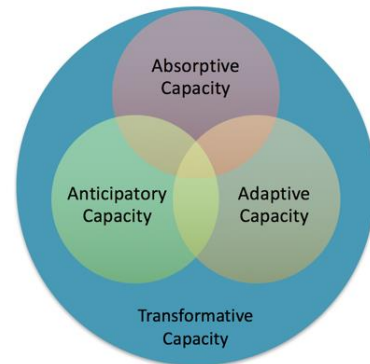
*Example:* Building a rainwater harvesting system to capture heavy rainfall for use during dry spells

**Transformative capacity** is the ability to transform, in terms of structure and function. It involves structural and systemic changes that enable the other capacities. Transformative capacity is longer-term and more difficult to achieve and attribute.

*Example:* Addressing gender imbalances in community decision-making power for more efficient management of resources such as water

These capacities are inter-related and overlapping, as shown in Figure 1. All are important, as they are applied at different times depending on the situation.

**Figure 1: The resilience capacities**



### ***Climate change adaptation***

Climate change adaptation (CCA) is a process of managing climate risks and adjusting to changes over time. It can involve:

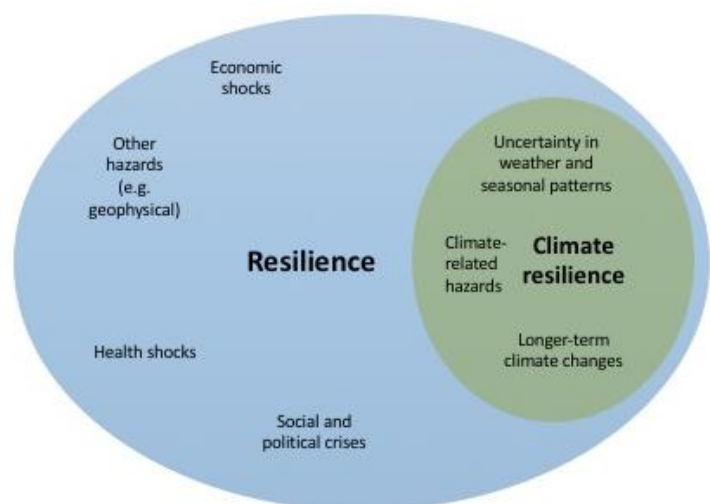
- Reducing exposure to climate-related hazards
- Reducing sensitivity to climate risks and changes
- Increasing adaptive capacity

CCA addresses both current and projected climate risks and changes.

### ***Relationship between resilience and climate change adaptation***

Resilience and CCA are closely linked, particularly in a context like Ethiopia where climate-related risks, changes and uncertainty have a major impact on people's lives and livelihoods. Both aim to build adaptive capacity to enable management of future risks and changes. Climate resilience is therefore a component of resilience, but resilience also addresses risks that are not climate-related, including economic shocks and social and political crises. Figure 2 provides a visual of the relationship.

**Figure 2: Climate resilience as a component of broader resilience**

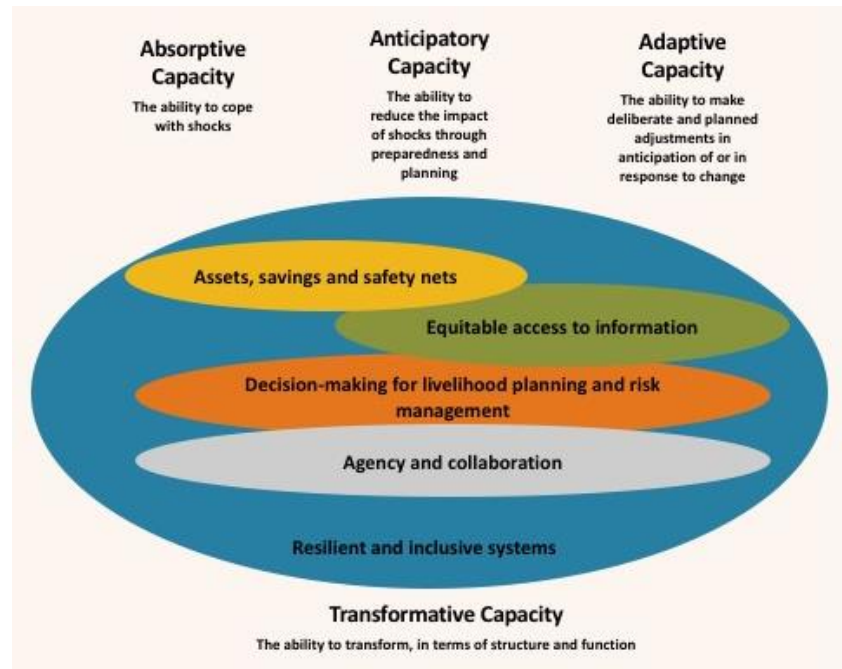


Climate change projections indicate that climate-related hazards such as droughts and floods will occur more frequently and increase in intensity, along with changes in rainfall, temperature, and timing of seasons (e.g. start date of kiremt rains). Consequently, particular consideration is needed to ensure that resilience building efforts explicitly integrate CCA, going beyond the current situation to address future risks and changes.

### 3. The Livelihoods for Resilience resilience domains of change

The Livelihoods for Resilience resilience strategy involves five inter-related domains of change, which contribute to the resilience capacities as shown in Figure 3. These are the areas where we aim to effect change in order to build resilience at household and systemic levels.

**Figure 3: Resilience domains of change**



Each of these domains plays an important role in resilience building, as described in the following sections.

#### ***Decision-making for livelihood planning and risk management***

Informed, flexible, and forward-looking decision-making by individuals and institutions is at the centre of the Livelihoods for Resilience theory of change. The project will enable households to develop livelihood portfolios that are resilient. Livelihood planning and risk management involves decisions on different timescales – from short-term decisions about spending, selling or saving, to seasonal decisions about what and when to plant and when to harvest, to longer-term decisions about investments, shifting or adjusting livelihood strategies and migration. This domain also considers planning and risk management at different levels, from individual women, men and youth, to households, to communities and broader social, economic and government systems.

#### ***Equitable access to information***

In order for women, men and youth in the Livelihoods for Resilience households to make good decisions about their livelihoods, they require information about opportunities and risks associated with different options at different times. This includes information about value chain engagement, income generating strategies and employment opportunities, which must be provided in ways that balance the potential profits with the risk of losses. Market information also supports decision-making about the livelihood pathways. A particular focus of this domain is access to climate information, including seasonal forecasts and longer-term projections, which enables people to better manage risks and uncertainty and adapt to change. In addition, such climate information helps project clients take advantage of opportunities. To be useful, the information must be provided in a timely, accessible and actionable manner. Throughout Livelihoods for Resilience efforts to increase access to information, emphasis will be placed on equity, ensuring that women, men, youth and particularly vulnerable groups are reached, and that the information is tailored to different audiences.

### ***Assets, savings and safety nets***

This domain focuses on ensuring that targeted households have capital available for livelihood investments and buffers in place to respond to shocks. Participation of women, men and youth in the selected livelihood portfolios can build their absorptive and adaptive resilience capacities. In line with this, the household livelihood portfolio is oriented towards building up assets, including liquid assets that can be easily converted to cash if a need arises. Savings are critical for absorptive and adaptive capacity, and are promoted through community-based organizations as well as microfinance institutions. While households are enrolled in PSNP, the program provides them with a reliable source of support throughout the year. As households move towards graduation, it is important to put other safety nets in place. This includes informal mechanisms such as support from family and/or community institutions, as well as formal ones such as insurance.

### ***Agency and collaboration***

Agency refers to an individual's aspirations and capabilities, which are influenced by changes in mobility, decision influence, group membership and education, among other areas.<sup>v</sup> Individuals with a sense of agency are better able to make use of opportunities, process information, make decisions and act on those decisions in ways that build their resilience. At the same time, Livelihoods for Resilience aims to support the livelihood portfolio at household level, requiring collaboration and joint decision-making among different family members. The Village Economic and Social Associations (VESAs) are also focused on collaboration, creating social capital that contributes to collective, household and individual resilience. The dialogue that occurs through the VESAs is important to address social norms that hinder women's participation and gender equality. It also highlights the role of men and other government and civil society actors as part of the solution to increase women's agency. In the process, it strengthens collaboration among the family and community members, which can facilitate adaptive actions.

### ***Resilient and inclusive systems***

Underpinning the changes in other domains are changes at systems level, which are fundamental to building transformative capacity. Livelihoods for Resilience works within government, economic and social systems to promote the inclusion of vulnerable women, youth and other groups who may otherwise face barriers to accessing the opportunities and benefits offered by those systems. The approach also considers the resilience of the systems themselves, recognizing that shocks and stresses also have impacts at systemic level and that this has implications for the resilience of the households operating in those systems. The aim is to create an enabling environment for the household livelihood portfolio, while also creating opportunities for transformation where appropriate.

## **4. Key project approaches**

Livelihoods for Resilience involves several key approaches comprising sets of activities that will be implemented across the project areas by all Implementing Partners (IPs), namely:

- **Village Economic and Social Associations (VESAs)**, which are the main platform for engaging PSNP households targeted by the project
- **Strengthening and diversifying household livelihoods**, focusing on building a livelihood portfolio comprising the three livelihood pathways: crop and livestock, off-farm and employment
- **Climate change adaptation**, which involves targeted activities to build capacity to manage current and future climate risks (in addition to climate change being considered a cross-cutting issue)
- **Market systems**, strengthening input supply, access to financial services, and market linkages to enable household livelihood activities



There are also three additional cross-cutting issues addressed by the project: women's empowerment, nutrition, and youth employment (see Section 6 for more information).

The project approaches build on the GRAD approach, integrating the lessons learned from its implementation. Even without an explicit resilience strategy, GRAD activities made a contribution to strengthening livelihoods and improving PSNP households' ability to withstand shocks and stresses. In this new phase, Livelihoods for Resilience applies the learning from GRAD to increase the impact on resilience through the domains of change described in the previous section. This involves a combination of new activities and adjustments to how GRAD activities are implemented, as described in the following section.

## 5. Project activities and their contribution to resilience

The following sections present the main activities under each of the key project approaches and links them to resilience domains of change.<sup>1</sup> Many of the activities have the potential to contribute to more than one domain of change. At the same time, the realization of this potential depends on how the activities are implemented – in order for the project to achieve its ambitions, resilience must be a consideration across all activities. This requires thinking about how activities are implemented, as well as the sequencing and interconnections between different approaches. The key considerations for the activities to maximize their contribution to resilience are also presented in the sections that follow.

### Village Economic and Social Associations

The project will establish VESAs to organize group-managed savings and lending services and to serve as a platform for human and social capital development. Membership in VESAs is household-based, with husbands and wives encouraged to participate together or in turn. VESAs are the key entry point for project activities across the different approaches, as described below. The VESA approach builds on the GRAD experience, complementing this with an additional focus on forward-looking decision-making and risk management.

#### *Financial literacy training*

VESA members will be trained on a financial literacy curriculum, which covers topics such as cash and financial management, financial planning and budgeting, the importance of savings and how to save, understanding credit and debt management, calculating profits, and risk management. This will also include awareness raising sessions on the available micro-finance products that exist locally, focusing on how the different types of products should be used as well as on the procedures for accessing them.

#### **How does financial literacy training contribute to resilience?**

Financial literacy enables people to better manage their livelihood investments, savings and assets in forward-looking ways. The training will address the importance of savings, which provide an essential buffer when shocks occur. It will also build understanding of how to manage liquid and fixed assets in ways that spread risks and build resilience of the household livelihood portfolio.

Decision-making for livelihood planning and risk management	✓
Equitable access to information	✓
Assets, savings and safety nets	✓
Agency and collaboration	
Resilient and inclusive systems	

<sup>1</sup> This is not an exhaustive description of project activities – it focuses on the key approaches and specific activities that have the strongest linkages to resilience building. Other activities, which also have potential to contribute to resilience building, are covered in other sector strategies developed by the project.

## How do we maximize the contributions of financial literacy training to resilience?

What should we do?	How should we do it?	Where in the VESA manual or project sector strategies can I find additional guidance?
Ensure that particularly vulnerable households and women are able to actively participate.	<ul style="list-style-type: none"> <li>• Hold the training at times and places that are convenient for women and vulnerable groups.</li> <li>• Use training materials that do not require literacy and are easy to understand</li> <li>• Facilitate training in ways that encourage active participation by all.</li> </ul>	All the financial literacy VESA discussion sessions are in the VESA manual
Include issues of risk and longer-term financial management in the training, providing concrete examples to illustrate the issues.	<ul style="list-style-type: none"> <li>• During the training, encourage households to accumulate a mix of liquid and fixed assets and discuss their relative importance under different scenarios and conditions.</li> <li>• Discuss how and when savings is best used to manage shocks. Raise awareness of insurance options that are available in the locality and build understanding of how they can assist when shocks occur.</li> </ul>	<ul style="list-style-type: none"> <li>• VESA session 15: developing a vision of climate resilience demonstrate the importance of saving and how to manage/absorb shocks using savings and asstes</li> <li>• VESA session 10: understanding financial services indicates insurance is a financial service provided by VESAs and others</li> </ul>

## VESA financial services

VESAs will be trained manage group-based savings and lending services following CARE's Village Savings and Loans Association (VSLA) approach. Many VESAs also establish a social fund, which can be accessed by members when unexpected expenses arise due to household emergencies. The social fund loans are interest-free.

### How do VESA financial services contribute to resilience?

VESA savings and loan mechanisms facilitate savings even in the absence of formal financial services, making them accessible even to more vulnerable households. The group approach creates positive pressure to accumulate savings. The social funds provide a source of cash when a household is affected by a crisis, acting as an informal insurance mechanism.

Decision-making for livelihood planning and risk management	
Equitable access to information	
Assets, savings and safety nets	✓
Agency and collaboration	✓
Resilient and inclusive systems	

### How do we maximize the contributions of VESA financial services to resilience?

What should we do?	How should we do it?	Where in the VESA manual or project sector strategies can I find additional guidance?
Emphasize the use of loans for productive investments, rather than for consumption.	<ul style="list-style-type: none"> <li>• Use VESA sessions on financial literacy and livelihoods to emphasize the importance of using VESA loans for productive investments</li> </ul>	<ul style="list-style-type: none"> <li>• VESA session 12 (Debt and Equity Financing) provides guidance on how to understand differences between using one's own money and borrowing, and the</li> </ul>

	<ul style="list-style-type: none"> <li>• In the training, advise the VESA members to check each other for appropriate uses of loans.</li> <li>• Periodically check in with VESAs on who recently took a loan, what it was for, and how the investment is faring.</li> </ul>	<p>circumstances in which each would be appropriate.</p> <ul style="list-style-type: none"> <li>• In each VESA meeting there are always sessions for savings, loan giving, and repayment.</li> <li>• VESA discussion sessions 21 and 22 (Business Start-up and Business Planning) emphasize that loans are for planned productive investments.</li> </ul>
Make sure that VESA members understand that when a shock hits, it is better to draw down on their savings than to take a loan to get through the drought.	<ul style="list-style-type: none"> <li>• Use VESA sessions on financial literacy and resilience to emphasize the importance of savings in case of emergencies such as illness or drought.</li> <li>• Remind the VESAs to include articles in their by-laws about use of savings during emergencies</li> <li>• Instruct VESAs that they can agree case by case on contingencies in case of emergency. For instance, extending repayment periods considering the seriousness of the shock</li> </ul>	<ul style="list-style-type: none"> <li>• VESA discussion session 2 (Life Cycle Events) notes the the importance of saving for emergencies.</li> <li>• VESA discussion session 13 (Developing a Vision of Climate Resilience) has a story that illustrates well what happens to households that save, and households that don't save, in a drought.</li> <li>• Guidance on creating VESA by-laws stipulate how they manage issues when an emergency happens on the VESA members</li> </ul>
Encourage appropriate use of savings during a hazard or a shock	<ul style="list-style-type: none"> <li>• Advise VESA members to make the right decision on using savings to protect their assets and fulfill basic needs</li> <li>• Advise that they should not compromise family nutrition to preserve savings</li> </ul>	Refer to key nutrition messages in the VESA manual sessions
Discuss risks for VESA savings and loan mechanisms, e.g. when all members are affected by a hazard, and how these will be managed.	<ul style="list-style-type: none"> <li>• Explain to VESAs that the decision to share out is theirs—if a drought hits, the General Assembly can meet and decide to share out early.</li> </ul>	Included in session on developing VESA by-laws
Promote the social fund approach, with clear criteria and terms for accessing it during household need.	<ul style="list-style-type: none"> <li>• Explain clearly that the social fund is for emergencies and should be used for grants, not loans (not even interest-free loans).</li> </ul>	VESA session 2 describes the use of the social fund and the flexibility that VESAs have in setting its terms (the payout in the event of different types of emergencies).

### ***Social Action and Analysis (SAA)***

Social Analysis and Action (SAA) is a facilitated process through which individuals and communities explore and challenge the social norms, beliefs and practices that shape their lives. The goal of SAA is to catalyze a community-led change process through which community members challenge restrictive norms and act individually and together to create more equitable social norms as well as stimulate community support for social change. The tested SAA approach will guide discussions on sensitive topics, in large part focusing on topics related to gender equality and women's empowerment.

Examples include the benefits of family planning, joint decision-making in the household and equitable women's workloads.

### How does SAA contribute to resilience?

Through dialogue on issues such as household decision-making, VESA members build analytical skills and improve collaboration within the household. SAA addresses tricky issues such as division of labour within the household and women's mobility. The discussions also initiate collective actions that protect women from any physical, psychological and socio-economic harm. By opening up dialogue on these issues, individual women and men increase their agency and feel inspired to improve intra-household collaboration. These changes can lead to more economic independence for women, putting them on a stronger footing in the event of the

illness or death of their husbands, or divorce. Further, the dialogues aim to promote change in social systems, bringing in other stakeholders and encouraging collective action towards greater inclusion.

Decision-making for livelihood planning and risk management	✓
Equitable access to information	✓
Assets, savings and safety nets	
Agency and collaboration	✓
Resilient and inclusive systems	✓

### How do we maximize the contributions of SAA to resilience?

What should we do?	How should we do it?	Where in the VESA manual or project sector strategies can I find additional guidance?
Emphasize the importance of a diversified household livelihood portfolio for resilience that involves participation of men and women.	<ul style="list-style-type: none"> <li>Use SAA to explore roles in the household and to discuss the value of the contributions of different household members.</li> <li>Reinforce the idea that every family member (including youth) can engage in household livelihood activities to diversify IGAs.</li> </ul>	The VESA session 16: livelihoods activity introduction raises the issue of livelihood diversification, including off-farm activities
Explore and resolve social norms and cultural practices that present barriers to resilience.	<ul style="list-style-type: none"> <li>Use discussions to highlight how inequality and harmful practices can undermine household resilience.</li> <li>Encourage trust among VESA members to explore and reflect on social norms and cultural practices that hinder women from having equal access to social and economic services and information.</li> <li>Help the group choose actions that can be done either individually or jointly and follow-up the implementation</li> <li>Link the group with other community groups or such as elders, religious leaders, and government authorities</li> <li>Identify male VESA members to serve as role models</li> </ul>	VESA session 1: establishment & leadership qualities; session 5: access to & control over resources; session 8: decision-making; session 18: dealing with mobility-related issues; session 19: workload sharing; session 29: negotiation skills and harmony in the house
Emphasize household-level decision-making and collaboration for	<ul style="list-style-type: none"> <li>Note the importance of all household members participating in important decisions as a means of building a more resilient livelihood portfolio.</li> </ul>	<ul style="list-style-type: none"> <li>VESA session 19 - workload sharing encourages discussion for actions and behaviors for equal work load and responsibility sharing in a family</li> </ul>

better management of risks.	<ul style="list-style-type: none"> <li>• Emphasis that peaceful relationships in the household is key for the family's success</li> <li>• Advise the group that sharing workload, responsibilities and decision making will help build trust and a peaceful atmosphere necessary for food security and resilience.</li> </ul>	<ul style="list-style-type: none"> <li>• VESA Session 29: negotiation skills and harmony in the house discusses the benefit of listening to each other's opinions and perspectives in a family</li> <li>• VESA session 19 - livelihoods activities selection - talks about the five important points which should be considered before starting a new IGA including potential risks</li> </ul>
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### ***VESA livelihood planning discussions***

Community facilitators will guide discussions on livelihoods pathway risks and opportunities, selection of value chains and off-farm income generating strategies, and understanding market information, among other topics.

#### **How do VESA livelihood planning discussions contribute to resilience?**

These discussions are designed to empower participants to make increasingly informed and forward-looking livelihood decisions over time. They enable cost-benefit and risk analysis in relation to different strategies and promote the concept of the household livelihood portfolio. By combining activities on the different pathways and employing different strategies when conditions change, stresses arise or shocks occur, households are in a much better position to manage risks and reduce negative impacts on well-being and resilience.

<b>Decision-making for livelihood planning and risk management</b>	✓
<b>Equitable access to information</b>	✓
<b>Assets, savings and safety nets</b>	✓
<b>Agency and collaboration</b>	✓
<b>Resilient and inclusive systems</b>	

#### **How do we maximize the contributions of VESA livelihood planning discussions to resilience?**

<b>What should we do?</b>	<b>How should we do it?</b>	<b>Where in the VESA manual or project sector strategies can I find additional guidance?</b>
Ensure that risks (not just opportunities) associated with different options are communicated.	<ul style="list-style-type: none"> <li>• Discuss the vulnerability to risk of each livelihood option and how these can affect long-term profits to help clients to understand the trade-offs and make good choices.</li> <li>• Emphasize how to strategically combine agricultural, off-farm and employment pathways to build the household livelihood portfolio.</li> </ul>	<ul style="list-style-type: none"> <li>• The VESA sessions 3 and 14 (climate change and its impacts and actions towards resilience respectively) cover assessment of climate and non-climate risks.</li> <li>• VESA session 19 discusses risk as one of five important points that should be considered during IGA selection.</li> </ul>
Encourage a mix of livelihood activities that rely on diverse resources and are subject to different types and degree of risk.	<ul style="list-style-type: none"> <li>• Undertake a climate vulnerability and capacity assessment (CVCA) in VESA discussions to enable the groups to better understand the most common shocks/risks on their livelihoods or businesses and to identify appropriate livelihood actions/ activities.</li> <li>• Use concrete examples from the CVCA for the value chains and income generating activities to illustrate the</li> </ul>	<ul style="list-style-type: none"> <li>• The VESA session 3 is important to understand the climate and non-climate risks in the area.</li> <li>• VESA session 14 helps groups to examine risks to livelihoods/IGAs</li> <li>• VESA session 19 discusses risk as one of five important points that should be considered during IGA selection.</li> </ul>

	potential for losses due to climate hazards and changes.	<ul style="list-style-type: none"> <li>Value chain selection sessions emphasize the resource requirements and management practices relevant for each value chain</li> </ul>
Ensure that discussions are inclusive of VESA members (men, women, youth) with different needs and that information is provided in accessible ways.	<ul style="list-style-type: none"> <li>Emphasize that all household members need access to information to create a resilient livelihood portfolio.</li> <li>Note variances among VESA members in both socio-economic status and preferences. VESA discussions should clearly indicate what kind of resources are required to undertake a livelihood activity.</li> <li>Value Chain selection should focus on time, labor, knowledge, skills and resource requirements so that clients can make the appropriate choices activity.</li> </ul>	Value chain selection sessions emphasize the resource requirements and management practices relevant for each value chain
Emphasize that planning for resilient livelihoods involves collaborative decision-making by women, men and youth in the household.	<ul style="list-style-type: none"> <li>Advise groups that families should make choices together considering the costs, benefits, risks, and the capacities and resources required.</li> </ul>	Value chain selection sessions emphasize the resource requirements and management practices relevant for each value chain

### ***VESA seasonal risk management discussions***

When advisories resulting from Participatory Scenario Planning (PSP) are available, VESAs will discuss the recommended actions in relation to household livelihoods decisions, enabling households to identify the actions that make the most sense in their particular situation.

#### **How do VESA seasonal risk management discussions contribute to resilience?**

Discussions will center on PSP advisories, seasonal forecasts and recommended actions. This increases VESA members' access to information for seasonal planning. By discussing the PSP advisories at VESA level, member households engage in dialogue and analysis that supports better decisions about short-term and seasonal investments, while also building their capacity for forward-looking decision-making.

Decision-making for livelihood planning and risk management	✓
Equitable access to information	✓
Assets, savings and safety nets	✓
Agency and collaboration	
Resilient and inclusive systems	

#### **How do we maximize the contributions of VESA seasonal risk management discussions to resilience?**

What should we do?	How should we do it?	Where in the VESA manual or project sector strategies can I find additional guidance?
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Ensure that the VESA members understand the seasonal forecast and its implications	<ul style="list-style-type: none"> <li>Facilitate VESA discussions to possible major hazards and associated impacts as per the seasonal weather forecast/condition</li> </ul>	The VESA session on seasonal weather information and advisories under Part 5 (additional sessions) focuses entirely on PSP advisories.
Help VESA members to understand the options presented in the advisories.	<ul style="list-style-type: none"> <li>Facilitate discussions on the costs and benefits or relevance of different options presented in the advisories to their contexts and household situation.</li> <li>Discuss immediate implications of different choices as well as longer-term consequences for resilience.</li> </ul>	The VESA session on seasonal weather information and advisories under Part 5 (additional sessions).
Recognize that VESA members will have differing capacities to act on the advisories and that the most vulnerable members may need additional support.	<ul style="list-style-type: none"> <li>Ensure that the discussions are inclusive and that the information is accessible and actionable, providing concrete examples.</li> <li>Discuss the barriers to action on the advisories and how these may be overcome through collaboration among VESA members.</li> </ul>	The VESA session on seasonal weather information and advisories under Part 5 (additional sessions)
Make sure that the market actors play a role for more effective implementation of the advisories	<ul style="list-style-type: none"> <li>Communicate the advisories to any input and output market actors for early preparation and actions.</li> <li>When there is a need, facilitate between the VESAs and market actors.</li> </ul>	Value chain strategies include risk mitigation measures appropriate for market actors.

## Strengthening household livelihoods

At the core of the Livelihoods for Resilience approach is the development of a resilient household livelihood portfolio. The intention of the portfolio approach is that a households would combine different strategies that can be employed at different times and under different conditions to meet basic needs and ensure well-being over time, even in the face of shocks and stresses. GRAD focused on crop and livestock value chain development and off-farm income generating strategies, both of which were found to be useful in building household resilience. Recognizing the need to open up additional options for households, Livelihoods for Resilience also incorporates an employment pathway. There is also additional emphasis on the strategic combination of the different pathways as a means to building resilience.

### ***Crop and livestock value chain development***

The project will identify potential value chains that are appropriate for PSNP households, taking gender, nutrition, and climate change into account. Market systems analysis will provide information on the opportunities and risks associated with the different value chains. Based on this analysis, Livelihoods for Resilience will facilitate, through the VESAs, a decision-making process for each household to identify in which of the prioritized market systems they want to work and who from the household will participate.

#### **How does crop and livestock value chain development contribute to resilience?**

Most PSNP households are and will remain primarily dependent on crops and livestock

**Decision-making for livelihood planning and risk management**

for their livelihoods. By maximizing profits and reducing risks associated with these activities, households have increased potential to earn income and accumulate savings and assets.

Equitable access to information	
Assets, savings and safety nets	✓
Agency and collaboration	✓
Resilient and inclusive systems	

### How do we maximize the contributions of crop and livestock value chain development to resilience?

What should we do?	How should we do it?	Where in the VESA manual or project sector strategies can I find additional guidance?
Promote climate-resilient agricultural practices in relation to each value chain.	<ul style="list-style-type: none"> <li>• Raise awareness of practices that conserve soil moisture and fertility.</li> <li>• Work with agro-dealers to make drought-resilient and early maturing crop varieties available when low rainfall is forecast.</li> <li>• Make groups aware of plant and animal varieties/breeds that can help adapt to changing climatic conditions.</li> <li>• Promote production/ management practices that enable adaptation during the value chain or livelihood trainings and discussions. Practices promoted should mitigate negative environmental impacts.</li> <li>• Provide training on upgraded food storage to decrease aflatoxin contamination or post-harvest losses and maintain nutrition content.</li> <li>• Support the group to identify crop types that can be intercropped to increase production improve soil fertility, and reduce risks</li> <li>• Advise them to plant livestock fodder on available land</li> </ul>	<ul style="list-style-type: none"> <li>• Value chain selection sessions and the content of follow-on value chain trainings</li> <li>• Guidelines for video-enhanced extension communications facilitated by Digital Green</li> </ul>

### Off-farm income generating strategies

An important risk management strategy for PSNP households, and an essential element for progress towards graduation, is diversification into the off-farm/non-farm, livelihoods pathway. Livelihoods for Resilience will identify income generating activities that are appropriate for PSNP households, and particularly for women in these households, and will develop a localized “business catalogue” describing these off-farm opportunities and associated risks for each woreda. This will include scaling up the successful micro-franchising approach from GRAD.

### How do off-farm income generating strategies contribute to resilience?

Engagement in off-farm activities provides households with new, additional sources of income that are less dependent on rainfall or other climate variables. Off-farm income generation offers an alternative strategy when crops fail or livestock are

Decision-making for livelihood planning and risk management	
Equitable access to information	
Assets, savings and safety nets	✓



affected by water and food shortages or disease. The micro-franchising initiative targets women, contributing to their economic empowerment.

Agency and collaboration	✓
Resilient and inclusive systems	

### How do we maximize the contributions of off-farm income generating strategies to resilience?

What should we do?	How should we do it?	Where in the VESA manual or project sector strategies can I find additional guidance?
Emphasize how to strategically combine agricultural activities with the off-farm and employment pathways to build a diverse livelihood portfolio.	<ul style="list-style-type: none"> <li>Advise the group for capable family members to participate in various IGAs, in addition to the crop and livestock production, that are not interdependent in order to avoid risk of failure if a major shock happens</li> </ul>	VESA sessions on household planning and selection of appropriate livelihoods activities.
Prioritize income generating activities that are less climate-sensitive	<ul style="list-style-type: none"> <li>Discuss how climate risks and changes may affect off-farm activities.</li> <li>Emphasize the importance of including less climate-sensitive activities as part of the livelihood portfolio.</li> <li>Stress that off-farm activities provide a back up plan when agricultural activities fail.</li> </ul>	VESA sessions on household planning and selection of appropriate livelihoods activities.
Strengthen relationships with wholesalers and private sector companies and support development of robust supply chains.	<ul style="list-style-type: none"> <li>Engage the wholesalers and private sector companies in multi-stakeholder platforms</li> <li>Work with wholesalers and private sector actors to develop risk mitigation strategies</li> </ul>	VESA sessions on household planning and selection of appropriate livelihoods activities.

### Information on employment opportunities

Most wage-based employment opportunities in which households are currently engaged are informal farm day labor (in nearby farms or on larger farms that require seasonal migration), or construction day labor in nearby towns. Labor market demand analyses for targeted woredas will identify and analyze current wage employment patterns. Livelihoods for Resilience will then work with participants choosing this pathway to build their skills and capacities to increase returns from these labor investments.

#### Potential of the activity to contribute to resilience

As with the off-farm livelihood pathway, employment provides a stable, alternative source of income that can be relied on when agricultural activities fail. Employment may also provide a year-round source of income, in contrast with seasonal, farm-based activities.

Decision-making for livelihood planning and risk management	
Equitable access to information	
Assets, savings and safety nets	✓
Agency and collaboration	✓

### How do we maximize the contributions of information on employment opportunities to resilience?

What should we do?	How should we do it?	Where in the VESA manual or project sector strategies can I find additional guidance?
Promote safe migration for employment	<ul style="list-style-type: none"> <li>• Discuss security risks that may arise with migration, and how these can be managed.</li> <li>• Discuss how to choose job opportunities with low risk on health and physical wellbeing.</li> <li>• Raise awareness of financial services for saving and transferring money earned.</li> </ul>	Wage Employment strategy and VESA sessions
Consider impacts on household members left behind when one member migrates for employment.	<ul style="list-style-type: none"> <li>• Advise VESAs on employment planning (e.g. different options in different seasons, choices between self-employment and wage labor, risks/rewards of migration vs home production).</li> <li>• Discuss security risks and workload issues for family members left behind.</li> <li>• In the VESA discussion, stress that the choices on employment migration should be family decisions, considering child-care and labor needs at home.</li> </ul>	Wage Employment strategy and VESA sessions

## Climate change adaptation

Although GRAD included some aspects of CCA in its engagement with VESAs, Livelihoods for Resilience will place much greater emphasis on management of climate risks, among other types of risks, as a key element of building resilience. The activities within this approach are primarily aimed at building anticipatory and adaptive capacity of targeted households and communities. Climate change is also viewed as a cross-cutting issue for the project and is considered in all activities.

### *Climate Vulnerability and Capacity Analysis (CVCA)*

The CVCA process aims to build people's understanding about climate risks and adaptation strategies, by combining local and scientific knowledge about climate change and applying it to the local context. GRAD tested and adapted CARE's CVCA approach,<sup>vi</sup> simplifying the process and focusing it on the particular issues targeted by the project. Livelihoods for Resilience will build on this experience, conducting analyses at community level in representative wordas across the project target area. This analysis will inform other project activities, including adaptation planning, as well as market system analysis and communication on livelihood options.

#### How does the CVCA process contribute to resilience?

The CVCA process provides participants with information on observed climate change and longer-term climate projections, providing an opportunity to blend this scientific information

Decision-making for livelihood planning and risk management	✓
Equitable access to information	✓
Assets, savings and safety nets	

with local knowledge. It provides a basis for building consensus on the priorities for CCA, focusing on the resources necessary for livelihoods and how risks to these resources can be better managed.

Agency and collaboration	✓
Resilient and inclusive systems	

### How do we maximize the contributions of CVCA processes to resilience?

What should we do?	How should we do it?	Where in the VESA manual or project sector strategies can I find additional guidance?
Communicate scientific information in accessible and understandable ways to support local planning and decision making.	<ul style="list-style-type: none"> <li>• Draw on local experiences with climate change to start the discussions. Use concrete examples and link scientific information to the local context.</li> <li>• Use the CVCA not only for understanding the community's existing capacity and level of vulnerability, but also as a process to provide the participants scientific evidences and information on climate change in understandable and relevant ways.</li> </ul>	<ul style="list-style-type: none"> <li>• VESA session 3 -climate change and its impacts - gives importance to making VESAs understand the climate and non-climate risks in their area, with local and scientific information.</li> <li>• CVCA guiding documents include content on these issues.</li> </ul>
Conduct discussions in ways that facilitate participation of all socio-economic groups.	<ul style="list-style-type: none"> <li>• Facilitate the CVCA process beyond the VESA by including other community members, authority figures, etc.</li> <li>• Consider having separate discussions with women and men and/or other distinct groups within communities.</li> <li>• Facilitate dialogue in ways that do not require literacy to participate.</li> </ul>	VESA session 3 and CVCA guiding documents

### Adaptation planning

Following the CVCA process, communities will engage in adaptation planning processes to identify individual and collective actions that can support community members in achieving resilient livelihoods. The planned actions will be oriented towards managing risks to climate-sensitive resources, based on the issues identified through the CVCA dialogues. The planning process will consider both direct and indirect impacts and will prioritize investment in longer-term strategies that are implemented at community level (vs. risk management strategies for individual households, which will be discussed at VESA level).

### How does adaptation planning contribute to resilience?

Adaptation planning focuses on identifying measures to manage risks to climate-sensitive resources, including land, water, forests and fodder. It promotes collective action in support of resilience, as well as actions at the household level. The process itself improves access to climate information and builds capacity for forward-looking decision-making.

Decision-making for livelihood planning and risk management	✓
Equitable access to information	✓
Assets, savings and safety nets	✓
Agency and collaboration	
Resilient and inclusive systems	

## How do we maximize the contributions of adaptation planning to resilience?

What should we do?	How should we do it?	Where in the VESA manual or project sector strategies can I find additional guidance?
Lead VESAs on a logical process to clearly link risks, impacts and responses.	<ul style="list-style-type: none"> <li>• Focus on identification of diverse individual and collective actions to minimize impacts of the hazards identified in the CVCA.</li> <li>• Use adaptation pathways to help participants make the links and identify actions to address risks.</li> <li>• Prompt participants to describe how and why the action will reduce vulnerability to climate change.</li> <li>• Emphasize 6 key points: knowledge and skills, family needs, income/profitability, capital, markets, and risks) when VESA members identify and select livelihoods activities.</li> </ul>	<ul style="list-style-type: none"> <li>• VESA session 3 - climate change and its impacts</li> <li>• VESA session 14 – I and II (actions towards resilience) emphasizes possible actions/activities following a logical process</li> </ul>
Ensure that future climate change projections are considered in adaptation plans.	<ul style="list-style-type: none"> <li>• Consider short- and long-term climate scenarios and projections in facilitated VESA discussions.</li> </ul>	<ul style="list-style-type: none"> <li>• VESA session 14 – I and II (actions towards resilience) emphasizes possible adaptation actions/activities.</li> </ul>
Assure that equitable benefits result from the planned adaptation actions.	<ul style="list-style-type: none"> <li>• Facilitate discussions to enables every VESA member to identify the appropriate livelihood choices</li> <li>• During VESA discussions develop clear action plans for collective efforts with equitable outcomes. Ensure that participants are representative of different community groups (women/men/youth, different livelihood groups, etc.).</li> <li>• Consider issues of access to and control over the resources that are implicated in adaptation actions.</li> </ul>	<ul style="list-style-type: none"> <li>• VESA Session 10 – decision-making – encourages VESA members to identify alternatives for equal/joint decision-making at all levels</li> <li>• VESA Session 7 – access to &amp; control over resources – focuses the VESA members to consider alternative actions of men and women for better &amp; healthier household.</li> </ul>

### ***Participatory Scenario Planning (PSP)***

PSP is a process for collective sharing and interpretation of seasonal forecasts, which is conducted as soon as a seasonal forecast is made available by meteorological services, meaning it occurs as many times in the year as there are rainy seasons in that particular area. Co-organized with the National Meteorological Agency (NMA), the process brings together community members, traditional forecasters, meteorology experts and other government representatives in a workshop setting to share both local knowledge and scientific information, discussing the forecasts, probabilities of different scenarios and consequent risks and opportunities. The dialogue builds capacity to analyze climate information and use it for decision-making, while also generating advisories which are communicated broadly to enable timely access to climate and weather information in actionable formats for decision-making by local actors and communities. A particular area of focus here is ensuring the equitable dissemination of information and advisories, with specific efforts to reach the most vulnerable community groups, especially women.

## How does PSP contribute to resilience?

Participants in PSP processes receive direct access to seasonal forecasts and have the opportunity to interact with representatives of the meteorological agency as well as traditional forecasters. PSP enables planning and risk management on a seasonal basis. The process of analyzing forecasts and identifying appropriate actions under different scenarios strengthens planning capacities.

Decision-making for livelihood planning and risk management	✓
Equitable access to information	✓
Assets, savings and safety nets	✓
Agency and collaboration	✓
Resilient and inclusive systems	

## How do we maximize the contributions of PSP to resilience?

What should we do?	How should we do it?	Where in the VESA manual or project sector strategies can I find additional guidance?
Assure well-planned PSP workshops every season	<ul style="list-style-type: none"> <li>Lead preparation for PSP workshops assuring that stakeholders make required preparations and share information to all participants.</li> <li>Assure complete seasonal weather forecast information including: start and end dates of rain, spatial distribution of rain within the season, the expected amount of rain, etc.</li> <li>Facilitate PSP workshops as soon as seasonal weather forecast is made available by the NMA</li> </ul>	PSP guide and training materials
Ensure the process is inclusive and that advisories are communicated in accessible and actionable ways.	<ul style="list-style-type: none"> <li>Ensure diverse participation in PSP workshops (i.e. gender, social groups and types of participants).</li> <li>Build NMA understanding of information needs of PSNP households for livelihoods decision-making.</li> <li>Work closely with relevant government partners and MSP members to make sure that the advisories reach them too</li> <li>Develop action plans that display clear roles and responsibilities among relevant stakeholders</li> <li>Facilitate VESA discussions about early warning information and impacts</li> </ul>	PSP guide and training materials
Work towards institutionalization of the PSP process by the end of the project.	<ul style="list-style-type: none"> <li>Monitor the process, document positive outcomes, and communicate those to decision-makers in the NMA.</li> <li>Insist that NMA decision-makers participate in the process and observe its value first-hand.</li> </ul>	PSP guide and training materials

## Market systems

This approach builds on GRAD successes in relation to collective marketing and increasing collaboration among different market actors. However, Livelihoods for Resilience takes a more systemic approach, emphasizing the linkages at market system level. It also considers the resilience of

the market system itself, looking at weaknesses in the system and the institutions within under different risk scenarios.

### ***Establishing/strengthening cooperatives and Farmer Economic Marketing Associations (FEMAs)***

For output marketing, Livelihoods for Resilience will work with existing or new formal marketing or multi-purpose cooperatives or will form an informal Farmer Economic and Marketing Association (FEMA) with the potential to eventually evolve into a registered cooperative. The FEMA approach, developed and tested in GRAD, proved that an informal group could effectively undertake the functions of a collective.

#### **How does establishing/strengthening cooperatives and FEMAs contribute to resilience?**

Cooperatives and FEMAs facilitate collaboration among farmers, which builds social capital that may be useful in managing shocks and stresses. FEMAs will help project clients reach more distant markets, which may be particularly useful when their locality is hit with a shock or stress that affects purchasing power. FEMAs strengthen market power of small-scale producers as well as their relationships with traders and other buyers.

Decision-making for livelihood planning and risk management	
Equitable access to information	
Assets, savings and safety nets	✓
Agency and collaboration	✓
Resilient and inclusive systems	✓

#### **How do we maximize the contributions of establishing/strengthening cooperatives and FEMAs to resilience?**

What should we do?	How should we do it?	Where in the VESA manual or project sector strategies can I find additional guidance?
Improve risk management by FEMAs and cooperatives.	<ul style="list-style-type: none"> <li>• Discuss risk management strategies with cooperatives and FEMAs, incorporating information from both CVCA and PSP processes as well as climate risk assessments on value chains and income generating strategies.</li> <li>• Increase understanding of FEMAs and cooperatives on client needs and seasonal risks they face</li> <li>• Support planning for crisis interventions, e.g. early commercial destocking of livestock.</li> <li>• Facilitate communications between VESA groups and FEMAs/cooperatives for mutual benefits of risk management</li> </ul>	Value chain strategies
Consider how the FEMA can best increase the market power of more vulnerable households.	<ul style="list-style-type: none"> <li>• Organize discussions among VESAs, FEMAs and cooperatives to build trust, strengthen market linkages, and fix problems</li> <li>• Assess resilience plans and actions of FEMAs and cooperatives with relevant government partners</li> </ul>	Value chain strategies

## Multi-Stakeholder Platforms (MSPs)

MSPs are designed to strengthen relationships between actors at multiple levels working in the market system around a targeted value chain. These MSPs, organized at the zonal level, facilitate interactions between buyers and sellers as a means of creating more economic opportunities for PSNP households. In addition, Livelihoods for Resilience will work with these platforms to implement scenario planning exercises to discuss implications of climate change and other shocks and stresses on market systems, as a basis for identification of risk management strategies that can be implemented by particular actors and/or at the market system level.

### How do MSPs contribute to resilience?

MSPs promote analysis and dialogue at the market system level, yielding a better understanding of the interconnections between different actors and actions. Dialogue through MSPs can help to identify individual and shared risks that affect the market system, providing a basis for planning risk management strategies.

Decision-making for livelihood planning and risk management	
Equitable access to information	
Assets, savings and safety nets	
Agency and collaboration	✓
Resilient and inclusive systems	✓

### How do we maximize the contributions of MSPs to resilience?

What should we do?	How should we do it?	Where in the VESA manual or project sector strategies can I find additional guidance?
Use MSPs as a platform for managing risks to the market system.	<ul style="list-style-type: none"><li>• Incorporate discussions about risks, both to individual actors and at MSP meetings.</li><li>• Communicate to VESAs the actions/measures that are recommended in MSP meetings</li><li>• Facilitate scenario planning exercises including MSP representatives to promote short-term and longer-term planning and risk management.</li><li>• Share and discuss the findings of PSP workshops in subsequent MSPs for members to be aware of seasonal risks and plan actions in advance</li></ul>	Value chain strategies and MSP facilitation guide
Ensure functionality and sustainability of MSP beyond the project life to maintain resilient market systems	<ul style="list-style-type: none"><li>• Ensure that the MSP is led by indigenous market actors and not project staff.</li></ul>	Value chain strategies and MSP facilitation guide

## Collaboration with financial service providers

To improve access to financial services for targeted households, Livelihoods for Resilience will work with RuSACCOs, RuSACCO Unions, and Micro-Finance Institutions (MFIs), to expand their capacities to mobilize capital and to provide tailored services. Loan guarantee funds will be used to leverage capital, especially from MFIs and RuSACCO Unions, for loans to project households to complement capital available through VESAs. The project's engagement with financial service providers will seek to improve service provision and client protection. For example, ensuring that financial service providers

clearly communicate loan terms, including interest rates and repayment deadlines, to clients will enable clients to more effectively plan their business investments and repay their loans on time.

### How does collaboration with financial service providers contribute to resilience?

Tailored services can improve the likelihood that access to credit, savings and insurance contributes to people's resilience. Access to credit enables investment in new or adjusted livelihood activities, while savings provide a critical buffer when crises occur. Insurance where available at appropriate terms provides an additional option for absorbing shocks.

Decision-making for livelihood planning and risk management	
Equitable access to information	
Assets, savings and safety nets	✓
Agency and collaboration	
Resilient and inclusive systems	✓

### How do we maximize the contributions of financial services to resilience?

What should we do?	How should we do it?	Where in the VESA manual or project sector strategies can I find additional guidance?
Encourage financial service providers to design products with terms that enable people to better absorb and adapt to shocks and stresses.	<ul style="list-style-type: none"> <li>• Help service providers appreciate that better management of risks by clients is better for their business.</li> <li>• Raise awareness of product options that enable resilience, e.g. preferential rates to clients who invest in risk management measures.</li> <li>• Work with service providers to include insurance to their product line.</li> </ul>	Financial inclusion strategy and individual MFI agreements
Work with service providers to ensure that VESA members are using credit properly and productively	<ul style="list-style-type: none"> <li>• Reemphasise appropriate use of loans and timely repayment in VESA discussions</li> <li>• Ensure that IPs and VESA members take the business planning process seriously.</li> </ul>	Financial inclusion strategy and individual MFI agreements

### Strengthening access to inputs and technologies

To support the household livelihood portfolio, Livelihoods for Resilience will collaborate with a number of different actors to facilitate access to inputs and to irrigation. This includes collaboration with research centers in the development and testing of climate-resilient technologies, such as drought tolerant seed varieties. This activity also involves establishment and strengthening of agro-dealers, who will promote and disseminate the most relevant technologies. In addition, the project will collaborate with pump manufacturers and community marketing agents to promote appropriate small-scale irrigation technologies (including, but not limited to, rope and washer pumps) for PSNP households.

### How does strengthening access to inputs and technologies contribute to resilience?

Improved access to appropriate inputs and technologie allows PSNP households to be better able to manage climate risks. Implementation of appropriate irrigation technologies in particular will reduce dependence on rainfall for agriculture

Decision-making for livelihood planning and risk management
Equitable access to information
Assets, savings and safety nets



and household use. Strengthened agro-dealer networks will improve access to inputs in the volumes and types needed during shocks.

Agency and collaboration	✓
Resilient and inclusive systems	✓

### How do we maximize the contributions of strengthening access to inputs and technologies to resilience?

What should we do?	How should we do it?	Where in the VESA manual or project sector strategies can I find additional guidance?
Build agro-dealer capacity to support climate-resilient agriculture.	<ul style="list-style-type: none"> <li>• Ensure that agro-dealers clearly communicate the characteristics of different seed varieties and the circumstances under which they are likely to be effective (for example, drought-tolerant varieties may not be the best option in a high rainfall year).</li> <li>• Make sure that VESAs are trained in proper use of inputs and technologies</li> <li>• Help agro-dealers develop strategies for adapting products and services during times of environmental shocks.</li> <li>• Include climate-resilient inputs as part of VESA seasonal risk management discussions, to support households in making informed choices.</li> <li>• Promote irrigation technologies that are appropriate for PSNP households and lead to profitable sales of horticultural products.</li> </ul>	Value chain strategies and agro-dealer training materials

## 6. Links to other cross-cutting issues

In addition to climate change, Livelihoods for Resilience has three other cross-cutting issues: gender equality, nutrition and youth empowerment. Each of these issues has explicit links to resilience, as shown in Table 2. Gender, nutrition and youth are important considerations in how resilience is built; at the same time, promoting gender equality, enhancing nutrition and youth employment represent important building blocks for resilience.

**Table 2: Linking resilience to the cross-cutting issues**

Cross-cutting issue	Why do we need to consider the issue in resilience building?	How does addressing the issue contribute to resilience?
Women's empowerment	<p>Women and men are affected differently by shocks and stresses (also other groups such as people with disabilities)</p> <p>Responses to shocks and stresses can create new challenges (for example, the family left behind when one household member migrates for work)</p>	<p>Equality within the household and within the community and broader systems strengthens the household livelihood portfolio</p> <p>Equitable access to information, resources and services enables all members of the household to contribute to the livelihood portfolio</p>

	<p>The stress associated with scarcity and crisis can lead to other negative impacts (for example, violence against women)</p> <p>In times of crisis, participation can decrease</p> <p>Many women are illiterate or have low literacy levels, so this must be taken into account in disseminating climate and weather information</p>	<p>Gender-balanced decision-making leads to wise use of household resources, investments and savings</p> <p>Having men and women together for social/gender dialogue is key for social transformation that contributes to household resilience</p>
Youth employment	<p>When households are affected by shocks and stresses, there may be negative impacts on youth in terms of roles and responsibilities (both due to the shock/stress and the response) and this can have longer-term impacts on their well-being and livelihood opportunities</p> <p>The role of youth (labour and skills) in the household livelihood portfolio is not well recognized</p>	<p>Empowering youth enables them to better contribute to household resilience</p> <p>Youth will be household heads in the future, so their empowerment is important for longer-term resilience</p> <p>Building the confidence, competence and self-esteem of youth is important to reduce unnecessary migration that would expose them to different risks</p> <p>Engaging youth in skill and knowledge building activities and in new opportunities can minimize resource competition within a household</p>
Nutrition	<p>Climate-related shocks negatively affect both production and purchasing power, which affects the availability, accessibility and affordability of food</p> <p>Consideration of pregnant, lactating women as beneficiaries of crisis-modifier interventions is crucial in terms of nutrition</p>	<p>Nutritious food makes the family healthier and stronger, which leads to higher productivity and fewer medical costs, which in turn leads to more savings and assets, enabling the household to withstand and recover from shocks</p> <p>Healthy kids do better in school and this improves their future prospects</p>

## 7. Evaluating resilience

Evaluation of resilience is complicated by its dynamic and process-oriented nature, which requires that we go beyond counting people involved in activities or receiving services. To assess whether people are truly more resilient, we must explore decision-making processes and how resources are managed at different times and under different conditions, as well as people's perceptions of risk and their own resilience. Tracking the aforementioned issues will also contribute to learning about resilience building processes and support adaptive management of the project approach. In addition, it informs future programming of similar kind. The following sections present a few options for evaluating resilience in the context of Livelihoods for Resilience.

### Assessing the resilience of the household livelihood portfolio

As the household livelihood portfolio is at the centre of the Livelihoods for Resilience approach, this is one entry point for evaluating resilience. For the livelihood portfolio to be resilient, it must operate as a system that exhibits certain characteristics, namely that it is flexible, diverse, equitable, connected

and strategic. Two important elements are: a) measuring to what extent HHs/etc. have gained the resilience capacities that we feel are critical (pre-shock) then; b) assessing how HHs/institutions react/recover when a shock actually comes. Our hypothesis is that by having a certain set of capacities the HH will be able to cope with and recover from all but the most severe shocks. The evaluation will test that hypothesis. Table 3 presents examples of what these characteristics look like in practice, based on discussions with the Livelihoods for Resilience team.

**Table 3: Characteristics of a resilient household livelihood portfolio**

Characteristic	What does it look like in practice?
Flexible	Mix of different livelihood options that can be applied depending on the situation Ready to adjust/shift strategies in response to new information or changes in context Knowledge and skills are shared across different household members Liquid assets available for new investments or as a buffer against shocks and stresses
Diverse	Mix of strategies that are vulnerable to different risks Strategies have different purposes (cash, nutrition, etc.) Different investment, input and labour requirements Expected income at different times of the year Ability to sell to different markets Different knowledge and skills requirements
Equitable	Division of responsibilities and labour within the household is equitable Contributions of different household members are valued Inclusive livelihood decision-making (selection of livelihood strategies, when/amount/how to invest, how much to save, etc.) Consumption of income within the household is shared across different priorities (food, health, savings) Access to information, resources and services is equitable
Connected	Linked with markets, input systems, information and organizations Connection between different strategies within the portfolio (complementary, integrated) Coordination of activities within and between households Vertical and horizontal communication
Strategic	Purposeful, with clear short-term and long-term objectives Oriented towards risk management Planned in terms of complementarity and sequencing of different strategies Involves forward-looking decision-making

The project will track a panel of households to fully understand how they are managing their household livelihood portfolio, assessing the extent to which it meets the above characteristics. This would require periodised engagement with these households, during ‘normal’ times, times of stress, during/aftershocks occur, etc. This would provide insights into the extent to which the resilience capacities are being built and applied by households in managing their livelihood portfolio. This process will be led by external experts and is currently under design.

## Understanding planning and decision-making processes

Planning and decision-making are at the core of resilience, making a range of options available to people for when shocks and stresses occur so that they may choose amongst those options when the need arises. Enabling access to information for better livelihood decision-making is an important element of the Livelihoods for Resilience approach, however access is only the first step. To understand the role this information plays in resilience, we must consider whether and how the information is used, what is done differently as a result and the difference this makes in managing shocks and stresses. The project will consider using the Most Significant Change (MSC) technique to explore these issues.

## Perceptions of resilience

How people perceive their own resilience is perhaps the best indicator of the extent to which resilience has been built. Allowing target households to define themselves what resilience would look like for them, and to document their journey towards this vision, would provide useful insights into the process and outcomes for resilience. The project could consider a modified Outcome Mapping approach to explore these changes from the perspective of the targeted households. If outcome mapping is not feasible, MSC could potentially also be applied here.

## Contribution of market actors

The information and services that people receive will be crucial for making appropriate decisions necessary for maintaining resilient livelihoods portfolios. For this reason, the resilience and responsiveness of market actors will also be assessed. This can be measured in terms of whether the market actors are informed/aware about the risks and opportunities and whether they are preparing, adapting, etc. in order to provide required goods and services and can create market opportunities for their clients and project beneficiaries. This needs a systematic and periodic assessment of both the market actors and the community in the normal times, times of stress, and during/aftershocks occur.

## 8. References

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